

FREQUENTLY ASKED QUESTIONS-PLP PROGRAM

What is "PLP"?

PLP is an insurance program that provides Commercial General Liability coverage for all of Swinerton's subcontractors of every tier while working on designated Swinerton's projects.

What are the major benefits of this program?

- Virtually eliminates the administrative burden associated with collecting subcontractor insurance certificates
- Subcontractors can start the project when Swinerton needs them, no longer constrained by the collection of insurance certificates
- Ten-year tail coverage from substantial completion
- One insurance program for all completed operations claims
- Immediate insurer response on subcontractor incidents
- Reduces coverage disputes, litigation and subrogation events between subcontractors
- Uniformity of coverage terms and conditions
- Insurance costs will not increase for subcontractors, Swinerton or Owner during the project

What coverages are provided?

- Per Project General Liability limits as follows:
 - \$4,000,000 General Aggregate
 - \$4,000,000 Products/Completed Operations subject to a Program Aggregate
 - \$2,000,000 Each Occurrence Limit
 - \$2,000,000 Personal and Advertising Injury Limit
- Per Project Excess Liability limit of \$50,000,000 during premise operations (construction)

During the completed operations period, the project specific \$4M Primary Aggregate is subject to a \$15M Program Aggregate limit and there are Excess policies subject to Program Aggregate limits, applying to all enrolled projects, of \$50 M. Please review our Program Liability Limit presentation. Total Program Volume is estimated at \$200,000,000 in construction values. If the program volume increases by more than 50%, as long as it is commercially feasible, Swinerton will purchase additional limits. If Program Aggregate limits are impaired by more than 50%, as long as it is commercially feasible, Swinerton will purchase additional limits.

What coverages are not provided?

All other coverages including, but not limited to, workers' compensation, automobile, contractor's equipment, builder's risk, pollution, and professional liability.

FAQ's (cont'd)

Do Subcontractors share in the policy limits or are the limits per subcontractor?

The program has a mixture of dedicated per project policy limits and aggregate limits shared by all project enrolled in the program, for all covered subcontractors working on a covered project site.

Who is a Named Insured?

Swinerton and subcontractors of any tier who perform work at the project site and are enrolled in the program are Named Insureds. Each enrolled subcontractor will receive a Certificate of Insurance showing the specific job being insured. A copy of the policies will be provided upon request.

Who is an Additional Insured?

Project Owners will be added as Additional Insureds on a Primary basis.

Will everyone be a participant of the Program?

Not everyone will be a participant. For example, the following: Subcontractors of any tier that are vendors, suppliers, material dealers, off-site fabricators, and others who merely transport, pick up, deliver or carry materials, personnel, parts or equipment or any other items or persons to or from the Project Site are **not** included. The program will not be extended to environmental subcontractors, subcontractors working under a Professional Services Agreement, Construction Staking and Surveying Agreement, or other similar "Professional Services Only" agreement.

Can a Subcontractor "opt out" of this Program?

This program is mandatory for all subcontractors of any tier eligible for enrollment in the program.

How are Subcontractors Enrolled in PLP?

All subcontractors and lower tier subcontractors must complete a simple enrollment form. A copy of this form is in the PLP Manual, which will be distributed to every sub. Each subcontractor will receive a Certificate of Insurance listing them as a Named Insured and specifying the job name and Swinerton's project number. Swinerton hopes to have an automated enrollment process in the near future.

Who pays the premium? Will Subcontractors be asked for bid deducts?

Swinerton pays the premiums. Subcontractor's bids will be reduced by the verified cost of their general and excess liability coverage as determined by the PLP program administrator. It is up to each individual subcontractor to discuss this program with its own insurance broker or insurance company to determine if you might be eligible for credits from your own insurer

FAQ's (cont'd)

Who will be the PLP program administrator?

The PLP program administrator will be Gallagher Construction Services.

Are there any additional administrative costs for subcontractors?

Since Swinerton is not asking for payroll reports and there should be no additional administrative costs for you. Any administrative costs you deem reasonable should be included as a cost of your work.

Is there a charge to the subcontractor(s) who has a loss?

Yes. There is a charge for losses you caused based on the size of your subcontract as follows:

\$5,000 for contracts less than \$100,000
\$10,000 for contracts between \$100,000 and \$500,000
\$25,000 for contracts in excess of \$500,000

If the loss event occurs during the completed operations period, then the deductible amount doubles. This charge is intended to motivate each subcontractor to continue its normal safety practices and perform the work with the quality, care and skill you would under your normal insurance program.

Who determines the liability to the subcontractor for the loss charge noted above?

Swinerton will make that determination based on the cause(s) of loss and who was involved. This charge will be handled as a credit memo deduction applied to the amount earned under the subcontract.

Will Swinerton's Subcontract be modified to reflect the existence of this Program?

Yes. Sample language will be distributed as soon as possible.

Can this program be cancelled in the middle of a project?

The policy is intended to insure each job through construction and for 10 years thereafter. It's unlikely the program will be cancelled since Zurich can cancel the policy only for non-payment of premiums or non-compliance with its safety and loss control recommendations.

FAQ's (cont'd)

How will claims be handled?

Claims will be reported to Swinerton as required by contract provisions and to Zurich on its '800' Claims reporting number. This information will be contained in more detail in the PLP Manual to be distributed to all Insured subcontractors. Zurich has dedicated Claims Units for each State and Adjusters with construction experience who will handle the claims

Who will be our claims advocate?

Gallagher Construction Services maintains a full service claims departments experienced in handling construction related claims. Our claim professionals will assist you with any claim related questions. Zurich requires your cooperation and assistance with any claim investigation.

What is the Policy Form?

ISO Form CG-00-01 12/04 Edition. This will be Zurich American Insurance Company on the primary policy and Allied World Assurance Company, Inc. (AWAC) and General Security Indemnity Company of Arizona (SCOR) on the excess. Policy forms are available for your review.

What are notable policy exclusions? Please review the policy for the complete terms and conditions.

1. Fungus Exclusion.
2. Asbestos Exclusion.
3. EIFS
4. Limited Exclusion – Contractors – Professional Liability.
5. Employment Related Practices Exclusion.
6. Property Damage to Owner's Property Exclusion.
7. Residential Property Exclusion
8. Prior Claims or Continuous or Progressively Deteriorating Injury or Damage – Montrose
9. Professional Liability and Pollution Liability exposures
10. War, Non-Owned Watercraft, Lead, Silica, Aircraft Exclusions

Do Subcontractors need to evidence off-site coverages?

Yes upon direct request from Swinerton. Swinerton still requires Workers' Compensation, Automobile, and off-site General Liability coverages as outlined in the subcontract.

DISCLAIMER - This is a summary of the PLP Program only. It does not change, alter or modify the policy terms and conditions in any way. Actual policy forms and Endorsements are available upon request.

SWINERTON PLP PROGRAM

PROGRAM LIABILITY LIMIT PRESENTATION

\$54 Million Project Specific Limits	Westchester Fire \$25 M Project Specific Limit **	Westchester Fire \$25 M Program Aggregate Limit ****	\$65 M Program Aggregate for products & completed operations
	AWAC \$25 M Project Specific Limit **	AWAC \$25 M Program Aggregate Limit ****	
	Zurich \$4M Project Specific Limit*	Zurich \$15 M Program Aggregate Limit ***	
0 year	Construction	Post Construction	10+ years

* Primary Coverage: \$2M per occurrence per project/\$4M premises operations general aggregate per project

** Aggregate limits are per project

*** Primary Coverage: \$4M per project Aggregate subject to a \$15M Products & Completed Operations Program Aggregate.

**** Aggregate Program limits